



GREGORY M. PENSABENE
VICE PRESIDENT
GOVERNMENT RELATIONS

October 27, 2003

The Honorable William M. Thomas,
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Re: American Jobs Creation Act of 2003, H.R. 2896

Dear Chairman Thomas:

On behalf of Anadarko Petroleum Corporation, I am writing to support legislation currently pending before the House Ways and Means Committee. The American Jobs Creation Act of 2003 (H.R. 2896) provides comprehensive legislation that will repeal the Extraterritorial Income Exclusion Act of 2000 (ETI) while also helping to strengthen the country's manufacturing, energy exploration and production sectors.

As provided in the most recent Amendment to H.R. 2896, the manufacturing and production tax rate cut would reduce the corporate tax rate by 3 percentage points (from 35% to 32%) phased-in over a period of years. As currently proposed, we understand this tax rate cut would apply to the domestic oil and gas industry at both the extraction and refining levels. We strongly support this provision along with the following proposed items included in H.R. 2896:

- Tax rate cuts for small corporations
- The two-year extension of Section 179 expenses
- AMT relief in the form of elimination of limitations on utilization of NOLs and foreign tax credits against AMT
- Provisions regarding corporate expatriation (inversions)

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- Reduction of double taxation of foreign source earnings through revision of the expense allocation rules and the treatment of certain interest
- Repeal of the Extraterritorial Income Exclusion Act of 2000

Anadarko Petroleum Corporation stands ready to support you in your efforts to bring this important piece of legislation to fruition.

Sincerely,



Gregory M. Pensabene

cc: Mr. Robert Winters, Counsel to the Committee on Ways and Means
Mr. Jeff McMillen, Staff Director, Subcommittee on Select Revenue Measures